

President Obama's Budget Focuses on Job Creation, Ensuring Middle Class Families Can Make It In America

Yesterday, President Obama unveiled his budget for fiscal year 2013, which builds on the Blueprint for an America Built to Last that he laid out in his State of the Union address. This Blueprint aims to strengthen the economy and create middle class jobs by bolstering the manufacturing sector, a bright spot in our economic recovery. This focus on manufacturing complements House Democrats' Make It In America plan – a plan to create jobs by cultivating an encouraging environment for businesses to innovate and make products here in the U.S.

Many of the proposals in President Obama's proposed budget overlap with the Make It In America plan:

TAX POLICY TO ENCOURAGE BUSINESSES TO BRING JOBS BACK TO THE U.S.

The Make It In America plan includes comprehensive tax reform to bring investment back to the U.S. Similarly, the President's budget proposes a revenue-neutral tax reform package to support manufacturing and encourage manufacturers to bring production back to the U.S.:

- Simplifies the tax code and closes loopholes that allow companies to shift profits overseas
- Makes companies pay a minimum tax for profits and jobs overseas and invests the savings in cutting taxes here at home, especially for manufacturing
- Removes tax deductions for shipping jobs overseas and provides a 20% income tax credit for the expenses of moving operations back into the U.S.
- Targets the domestic production incentive on manufacturers who create jobs here at home and doubles the deduction for advanced manufacturing from its current level of 9% to 18%
- Introduces a new Manufacturing Communities Tax Credit to help finance projects in communities that have suffered a major job loss event
- Provides temporary tax credits to drive nearly \$20 billion in domestic clean energy manufacturing
- Provides businesses with \$50 billion in tax relief by extending a provision that allows businesses to expense the full cost of their investments in equipment



INVESTMENTS IN INNOVATION

The Make It In America plan also makes investments that allow us to out-innovate our competitors and keep America the world's leader. The President's budget invests in innovation through increased support for research and development:

Office of Democratic Whip Steny H. Hoyer, 2/14/12



- Increases support for advanced manufacturing research and development programs across the federal government to \$2.2 billion
- Doubles the budgets of research agencies, including National Science Foundation, Department of Energy's Office of Science, and National Institute of Standards and Technology Laboratories (NIST)
- Launches an Advanced Manufacturing National Program Office at NIST to help ensure that research and development investments are better coordinated across agencies
- Creates new manufacturing capacity for vital defense technologies and dramatically improves the time from concept to product
- Creates a national network for manufacturing innovation aimed to develop manufacturing technologies with broad applications
- Makes investments to develop and manufacture advanced vehicles so that we can reduce our nation's dependence on oil
- Calls on Congress to pass two Make It In America bills – the HomeStar bill, which would create jobs by supporting installation of American made energy efficient products, and the Security in Energy and Manufacturing (SEAM) Act, which continues tax credits for advanced energy manufacturing facilities

INVESTMENTS IN EDUCATION

The Make It In America plan encourages innovative education policy so that we can out-educate our competitors and build a competitive workforce. The President's budget reforms education and makes critical investments so that every American has the opportunity to attain the education and skills needed to find work:



- Provides \$8 billion to the Departments of Education and Labor to support State and community college partnerships with businesses to improve access to job training and help meet the needs of companies that increasingly rely on highly skilled workers
- Continues investments in state-level reforms to set world-class standards for our students and encourage innovation in public education
- Continues to make college more affordable for low-income students by sustaining investments in Pell at the \$5,635 level for next school year
- Takes steps to improve college affordability and improve levels of completion in post-secondary studies

- Allocates \$80 million toward reaching the goal of preparing 100,000 STEM teachers over the next decade
- Provides resources to connect Americans out of work with job openings and skill-building opportunities
- Reauthorizes and reforms the Career and Technical Education (CTE) program to ensure that students are learning the skills needed to get a job

INVESTMENTS IN INFRASTRUCTURE



The Make It In America plan also focuses on infrastructure so that we can out-build our competitors and support the flow of commerce. The President's budget proposes establishing a National Infrastructure Bank, which is also a Make It In America bill, to leverage private and public sector capital to expand and invest in infrastructure.

CREATING A LEVEL PLAYING FIELD FOR U.S. WORKERS AND BUSINESSES

The Make It In America plan seeks to ensure that we enforce U.S. rights under international and domestic trade rules, counter unfair subsidies that give overseas companies an illegal advantage over U.S. companies, and protect against intellectual property theft from America's innovators. The President's budget gets tough on trade enforcement:

- Creates a new Interagency Trade Enforcement Center (ITEC), a center that will significantly enhance the administration's capabilities to aggressively challenge unfair trade practices around the world, including in China
- Improves trade inspection capability at Customs and Border Protection and builds new inspection capabilities at the Food and Drug Administration to better target trade inspections and to heighten the likelihood of stopping counterfeit, pirated, or unsafe goods before they enter U.S. markets



The President's budget and the Make It In America plan will create jobs, boost manufacturing, strengthen our economy, and keep America competitive. We hope Republicans will work with us and support these provisions to help put more Americans back to work and ensure middle class families can make it in America.